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NEWSPAPER

Advertising Age

June 8, 1992

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Crain's International Newspaper of Marketing • $2.50 • $3.00 in Canada • £5.00 in U.K.

INSIDE

Ad Review: Seeing spring in Spike Lee's Nike spot on race relations. **P. 50.**

Letters: Readers support, oppose Dusenberry's pro-life work. **P. 20.**

Direct response: Billings top $4 billion; O&M Direct is No. 1. **P. 29.**

13.4%

Sears, automakers power TV upfront

But General Motors holds out for bigger discounts

By Joe Mandese

Sears, Nissan, Toyota and Chrysler made significant network TV deals at price increases of 4% to 6% last week, as the 1992-93 upfront market took off.

But in a development that could dampen the outlook, the nation's largest network TV advertiser, General Motors Corp., told the Big 3 it won't be making any upfront buys.

GM said it decided to bypass the advanced sales period for the new TV season because the automaker was unhappy with terms of last year's upfront deals.

Network executives speculated otherwise.

"It's no secret that there are internal battles going on over there," a network sales executive said in reference to recent management shake-ups at GM. "Nobody is sure which divisions will be spending what and who's in charge. This may be a way for them to mask their own internal problems by putting a strong statement on a weak position."

GM's reluctance wasn't matched by other automakers and retailers.

Sears, Roebuck & Co. committed about $60 million to all three networks, with about half of the amount going to CBS for a multi-

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'We are prepared for' negative advertising: Clinton's top adman

ONE ON ONE

Frank Greer, president of Greer, Margolis, Mitchell & Grunwald, is in charge of campaign advertising for Arkansas Gov. Bill Clinton, who clinched the Democratic presidential nomination last week.

Mr. Greer's work for Gov. Clinton is through Great American Media, a subsidiary of his Washington-based political agency. Mr. Greer, 45, whose clients have included former vice president and unsuccessful presidential candidate Walter Mondale, discussed this year's campaign with Advertising Age *Washington Bureau Chief Steven W. Colford.*

■ Bush ad team shake-up—Page 47.

Advertising Age: *Roger Ailes, who was in charge of President Bush's 1988 presidential campaign advertising, has said this will be the nastiest race in presidential history. Do you agree?*

Mr. Greer: We are prepared for it, but I hope for the good of the country that it is not. I think we understand the nature of negative advertising and certainly understand the nature of unfair charges and the

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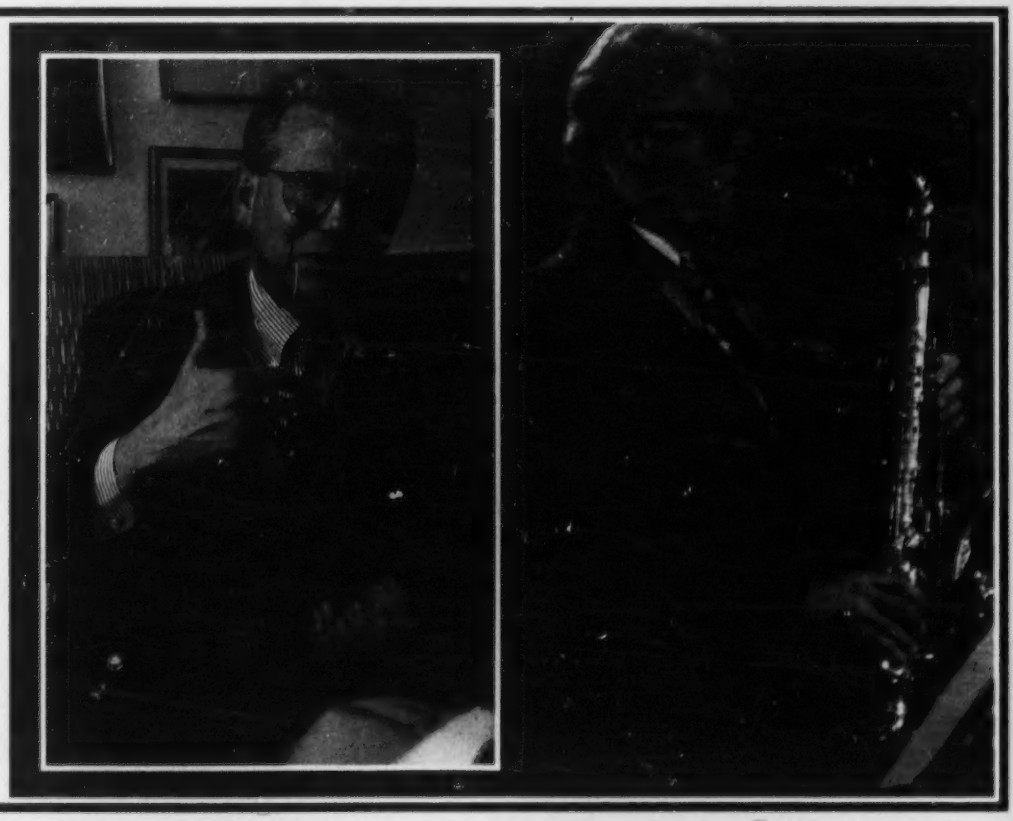

Frank Greer (l.) outlines strategy; Democratic presidential candidate Bill Clinton jams on Arsenio Hall's show.

Photo: Dan Hills (left), Reid Jason Jones/White House Photos (right)

LAST MINUTE NEWS

Della Femina stays at Euro RSCG

NEW YORK—Della Femina, McNamee executives ended buyback talks with parent Euro RSCG, Paris, after failing to agree on a "fair market value" for the agency, said Jerry Della Femina, chairman-ceo. Mr. Della Femina said he will stay at the agency and discuss with Euro RSCG ways to fulfill terms of a contract giving him authority over other U.S. acquisitions, including Tatham/RSCG, Chicago, and Messner Vetere Berger Carey Schmetterer here.

P&G sets diaper change

NEW YORK—Procter & Gamble today will introduce a "revolutionary" change to Pampers and Luvs disposable diapers at a

(Continued on Page 8)

Campbell snaps up top Polaroid exec

Gary Moss' mission is overseeing $250M budget for 'maximum results'

By Alison Fahey

Campbell Soup Co. tapped Gary S. Moss, a top marketing executive at Polaroid Corp., as VP-marketing services, overseeing the food marketer's $250 million-plus in annual ad spending.

Mr. Moss, 42, Polaroid's director of marketing communications and new-business development, replaces Paul Mulcahy, who retired earlier this month.

Mr. Moss will join Campbell June 15 and also assume the post of president of CSC Advertising, the company's in-house marketing subsidiary, a position also previously held by Mr. Mulcahy.

Moss

At Polaroid, Mr. Moss handled all advertising and marketing efforts for the company's line of consumer products, ranging from instant photography products to videocassettes to OneFilm, its 35mm conventional film.

Mr. Moss declined to comment on the move.

As VP-marketing services, Mr. Moss will report to Campbell North and South America President Herb Baum and will become the primary liaison between Campbell and its agencies.

"Gary will be charged with directing our advertising agencies to drive strategies and copy development that will continue to aggressively move our brands forward," Mr. Baum said in an internal memo obtained by *Advertising Age*. "Getting maximum results for our consumer advertising dollar is absolutely critical to our growth and success as a company."

Campbell's lead shops are BBDO Worldwide, Backer Spielvogel Bates, FCB/Leber Katz Partners and Ogilvy & Mather, all New York, and W.B. Doner & Co., Southfield, Mich.

Mr. Moss already has ties to BBDO,

(Continued on Page 45)

NEWS SUMMARY

- **Upfront sales** by the Big 3 networks include some major buyers, but General Motors said it wouldn't participate. 1
- **Campbell Soup Co.** named Gary S. Moss, from Polaroid Corp., VP-marketing services, succeeding Paul Mulcahy. 1
- **K-III Magazines** plans two new magazines, one tentatively titled *Soap Opera Illustrated* and the other a personality-oriented news magazine. 3
- **VF Corp.** will market environmentally correct apparel, made from 100% organic cotton and colored with non-toxic dyes. 3
- **CBS' plan** to charge affiliates for programming may reduce program clearances and increase advertiser concerns. 4
- **Maxwell House** will start rolling out Cappio iced cappuccino drink. 6
- **Advertising Council** has begun a public service campaign aimed at defusing racial discrimination. 6
- **Several shoe marketers** are gaining share in the casual footwear segment at the expense of L.A. Gear. 12
- **Seagram Co.'s** new-product burst is the culmination of a strategy begun several years ago. 16
- **Jack Rehm,** president-ceo of Meredith Corp., takes the additional post of chairman on July 1. 44
- **Lifestyle Marketing Group** was spun off from Saatchi & Saatchi and will merge with two related companies. 46
- **Magazine ad spending** won't be cut back this year, says a survey of advertisers and media executives. 48
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- **Old Milwaukee** has dropped the Swedish Bikini Team from its ads in favor of a humorous duo, Jack and Andy. 50

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Vol. 63, No. 23—ADVERTISING AGE (ISSN 0001-8899) is published weekly (except for a special issue the fourth week in September and a combined year-end issue in December) by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Postmaster: Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.50 a copy, $84 a year, $134 two years. Add $151 per year for air delivery to Europe & Middle East. Add $79 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207-3185 1-800-678-9595. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

NBC's hot date for fall promotion is parent GE

Effort links network premieres with lighting products

By Joe Mandese

NEW YORK—NBC parent General Electric Co. is teaming up with its subsidiary to bring good things to life on network TV this fall.

For four weeks starting in mid-August, just after the close of NBC's coverage of the Summer Olympics, GE and NBC will link for a fall premiere promotion themed "Win with GE, be on NBC."

It's GE's first cross-promotion with NBC, a GE subsidiary since 1987, and possibly the largest network promotion ever, NBC executives say. The effort is said to generate more than 1.1 billion impressions and will promote the fall prime-time schedule and GE lighting products.

The campaign includes an extensive GE advertising buy on NBC, on-air promotional announcements, print advertising, Sunday newspaper supplements and displays in more than 150,000 retail outlets.

Also part of the promotion is a 20-page fall preview program

Packages of GE lighting products will carry game cards, an NBC programming guide and coupons.

ming guide and scratch-and-win game cards, both of which will be bound into 3 million packages of GE lighting products. GE value coupons will also be bound in.

GE and NBC plan to give away 25,000 prizes, including three grand prizes, each consisting of a walk-on role on an NBC prime-time show and a trip to New York or Los Angeles.

The promotion is handled by NBC's marketing group and GE's promotion agency, Alcone Sims O'Brien, Elmsford, N.Y.

Executives at a competing network speculated the GE/-NBC pairing may have been a last-ditch measure because NBC was unable to land a big fall promotion with another advertiser. NBC had been in discussions with Kmart Corp., but that marketer ended up working with longtime partner CBS again this fall.

"The good news is that NBC has a date for the prom. The bad news is that it's with its father," said a marketing executive at a competing network.

Alan Cohen, NBC senior VP-marketing, said the network began working on the fall promotion with GE more than two months ago and that the media buy was made in March.

The promotion will be only one element of a series of premiere promotions NBC will run, which may include at least two separate tie-ins with major advertisers. □

Hungary's million-dollar slap

Mail-order company, Saatchi face fines for ads, products

GLOBAL NEWS

By Ken Kasriel

BUDAPEST—Home Shopping Budapest has just been slapped with possibly the largest fine ever imposed on a marketer in Eastern Europe since the fall of the Iron Curtain, and agency Saatchi & Saatchi was caught in the crossfire.

Hungary's judicial Economic Competition Council last week fined the mail-order company, owned by Swiss-based businessman Szilvio Vogt, $1.25 million and its agency, Saatchi, $12,500 for misleading ads for poor quality products.

The company isn't believed to be related to the U.S.' Home Shopping Network.

The size of the fine was based on a minimum plus an estimate of the company's potential profits from the illegal campaign.

Saatchi has handled the campaign since last fall, running ads in entertainment listings, circulars and occasional TV commercials.

The case is part of a crackdown on deceptive advertising by the council, set up about 18 months ago.

The council started proceedings after a probe of consumer complaints by another state body, the Quality Control Institute. Citing the institute's findings, the council explained the huge fine by saying Home Shopping's conduct "will ruin the reputation in advance of future mail-order companies."

Saatchi was held liable because "in this case, the consumer can get to know the products only through the advertisements," said Maria Kallai, the judge presiding over the Home Shopping hearing. "The advertising agency takes part in putting these products on the market whether it likes it or not."

The institute in February banned the sale of certain items and ordered refunds. Home Shopping later agreed to submit ads and products to the institute for review before advertising and selling them.

Gunther Hummer, Home Shopping's lawyer, said the company will appeal the ruling; William Leech, Saatchi's managing director in Budapest, wouldn't comment. □

Granola is surging back into style

By Julie Liesse

Granola refuses to go the way of platform shoes and mood rings.

Sales of both granola bars and cereals are booming, bringing new life to a category that grew rapidly in the 1970s but fell apart nearly as fast.

Adding fuel to the fire is General Mills, which this summer will launch the fourth major new granola product this year.

General Mills is billing new IncrediBites as the first granola "sandwich." One of three fillings—chocolate, peanut butter and vanilla cream—is sandwiched between two bite-size granola cookies.

IncrediBites comes in pouches for lunch boxes and snacking.

IncrediBites should be on store shelves by August. The introduction will be supported by a network and cable TV campaign targeted to moms, set to break in late August from Campbell-Mithun-Esty, Minneapolis.

General Mills intends IncrediBites to be shelved near its Nature Valley granola bars and the recently launched Granola Bites, though IncrediBites carries the Betty Crocker brand name.

IncrediBites marks the fourth new product—each with significant ad support—for a food category that was left for dead after sales vaporized in the '80s.

Kellogg Co. introduced its Low-Fat Granola cereal in February, and rival Quaker Oats Co. responded with a low-fat version of Quaker 100% Natural cereal. The lone national granola cereal, Quaker 100% Natural had puttered along with about a 1% share of the $7 billion category, but the low-fat entries have sparked a surge.

"Kellogg says it can't keep product on the shelves," said Michael Mauboussin, First Boston Corp. analyst.

Granola-type cereals chalked up total sales of $101 million, up 28%, for the year ended April 18, Nielsen Marketing Research reported.

Leo Burnett USA, Chicago, handles TV and print advertising for Kellogg's granola cereal.

The positive news extends to granola bars as well. Sales of granola bars and snacks rose 7% during the past year to $264 million, Nielsen reported.

General Mills in March began its first TV advertising in a decade for Nature Valley granola products. The spots, also from CME, position granola bars as "the candy bar nature intended." □

LETTERS

(Continued from Page 20)
want to give a second thought the next time you try to take a bite out of someone's hide in public. Mr. Dusenberry's openness is to be emulated, not scorned.

And I would also check my statistics—as well as the various roles of advertising—if I were you.

Robert A. Girondi
Senior VP of a major promotion research organization

Intimidation leads to lack of guts

Miss Carlson's letter clearly illustrates why the problems outlined by Steven Webster on that same Forum page exist [*The Webster article examined racism and sexism in the advertising industry*]. Clearly, she is threatening anyone who is against abortion with loss of business.

She, and others like her, by their intimidation, have caused many account and management personnel to become wishy-washy chameleons. Why hire blacks if it might offend a racist client? Why hire an Oriental if a client is having problems with imports from the Far East? Will the Jewish kid offend your Arab clients —or vice versa?

We laugh when clients tell Rodney King jokes, or dumb blonde jokes or Polish jokes. If a client's a drunk, we have five martini lunches. If they're born-again Christians, we pray with them; if they're Arab, we're anti-Israel; if they're Japanese, we're for free trade; if they're American automotive, we're for restrictions.

What do we really think? Only God knows, because we don't.

So thanks to all the Ms. Carlsons out there for making us what we are. And thanks to Mr. Dusenberry for showing us that some in the business world still have guts.

And what do I think about abortion? Depends which client I'm talking to.

(P.S.: Phil, I liked the pro-life ads, for whatever it's worth.)

John Majhan
Majhan & Associates
Ligonier, Pa.

Carlson critique was right on target

Were I a BBDO client, I, too, would have the same grave reservations as Tracy Carlson in re: Phil Dusenberry's public stance on the anti-choice abortion issue and his work for the De Moss Foundation. Her critique was extremely intelligent and buttoned up, and her evaluation of the creative work right on target.

In our democratic society, Mr. Dusenberry is unquestionably entitled to his personal feelings on abortion—though he personally will never have such a difficult decision to make. Since he urges women with unwanted pregnancies to "tough it out," why doesn't he adopt a few of these unwanted babies, raise them, love, guide, medicate and educate them and be there for PTAs, check-ups, ball games, teacher conferences, ad infinitum? That seems only fair.

Perhaps ceos should be more sensitive and prudent in terms of which cause they espouse.

Diane Casper
President, Casper Group Corp.
New York

'Choice' called fine only if it agrees

Wow! That Tracy Carlson is one fair-minded lady. She's all for "choice" as long as everyone else's choice coincides with her choice. She tells Dusenberry: "You picked the wrong one, baby." Clearly, then, had Dusenberry picked the pro-abortion side, he would have picked the "right one."

Since when are personal convictions—on either side of the abortion issue, or any other for that matter—justification for this kind of thinly veiled corporate coercion? I think it stinks.

And if Dusenberry's advertising is, as Tracy claims, so superficial, and the total communication so "muddled and ineffective," what's her beef? With that kind of execution, no one's going to get Dusenberry's message, right?

Except maybe Tracy.

John Sharpe
Sharpe & Co.
Cerritos, Calif.

Pro-abortion statistics distorted

In the "Open letter to Phil Dusenberry," Tracy Carlson's statements contained a number of distortions.

First, the assertion that 80% of Americans are in favor of abortion may be true if you conduct your survey in Greenwich Village or San Francisco, but it is openly fallacious when applied to the population as a whole. I recall figures cited by the Family Research Council that put the tally somewhere in the neighborhood of 45% of Americans in favor of abortion on demand. I believe this is an example of how the media, with their pro-abortion bias, have distorted the facts to convince the American people that abortion is the choice of the mainstream. In fact, it is not.

Why, if indeed the pro-life element is only a "fringe," does this issue produce such intense controversy in America today? If only 20% of Americans were against abortion, it would not even be an issue. Bear in mind, too, that this "fringe" Carlson refers to includes the President and Vice President of the U.S., the Roman Catholic church and most Protestant evangelicals. Must be a pretty wide fringe.

Finally, a comment on Carlson's criticisms of the DeMoss Foundation ads (i.e., "superficial," "muddled," "soft and fuzzy"). There has been a howl of anguish from many in the advertising industry over the ads by pro-life congressional candidate Michael Bailey with their graphic photos of aborted fetuses. The De Moss Foundation ads are not realistic, the liberals cry; but when the reality of abortion is portrayed with uncompromising honesty, they use phrases like "bad taste," "offensive" and "shocking." What hypocrisy! If the sight of mangled, dead babies is offensive, why do we permit this atrocity in the same society that can't tolerate the clubbing of baby seals?

Terrie S. Piell
Frenchtown, N.J.

Why fault him for taking a stand?

Ms. Carlson is taking the approach that Mr. Dusenberry's involvement with the anti-abortion campaign could (and, according to her, is) affecting his perspectives and direction. Hogwash! Shouldn't she be excited that he has taken a stand for his moral feelings and is doing something about it?

Would Ms. Carlson feel the same if he was involved in some animal rights or environmental cause? Probably not, since the latter are "hot" causes to be involved with and these seem to be the choice of most liberals today. It's a shame, and ironic, that the same folks who are for killing babies and for "rights the mother has" are at demonstrations for animal rights and fighting for the animals' offspring.

Where does she come up with the figure that 80% of all women in America agree on safe, legal abortions? My statistics, as well as U.S. government surveys, show much different. Today's moral values, especially among women, are getting back to the family and children, not abortions.

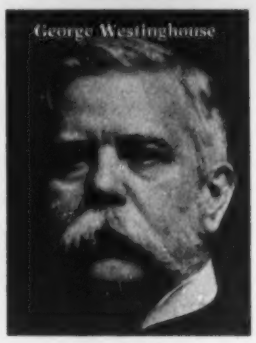
It seems as though Ms. Carlson has decided that the services of those who do not share the same opinion as she have a clouded, distorted view of the world and simply cannot perform as well as those who do. How sad it is, how sad and twisted it is.

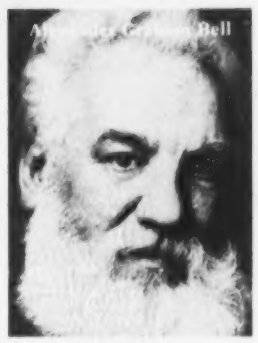
Dan Bonin
Director of marketing
and advertising, TWS Industries
Bakersfield, Calif.

Corrections & clarifications

Corrections and clarifications to the 1992 edition of the Agency Report (AA, April 13):

- Ogilvy & Mather Direct had U.S. billings of $338.2 million in 1990 and not the reported $388.2 million, which produced a year-to-year decline of 11.4% rather than an actual 1.7% gain (P. S-43).
- Two DDB Needham Worldwide agencies were omitted from country listings: Verba DDB Needham/-Italy, 1991 gross income of $10.2 million on billings of $68.3 million (P. S-36) and DDB Needham Hungary, 1991 gross income of $327,000 on billings of $2.2 million (P. S-34).
- Hakuhodo's 1991 capitalized volume in its World's Top 50 Advertising Organizations listing should have been $4.868 billion and not $4.686 billion, giving the agency 7.5% growth from the prior year rather than 3.5% (P. S-10).
- Young & Rubicam, San Francisco, with billings of $141.9 million, was omitted in the Y&R profile (P. S-43). Billings for Sive/Young & Rubicam, Cincinnati, should have been $39 million and billings for Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa, should have been $94.4 million in the same profile.
- Eurocom/Target Advertising, Athens, had 1991 gross income of $842,039, not the reported $283,736, resulting in a 1.8% drop instead of the reported 66.9% (S-34). □





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*I didn't want to do this but my creative director and my mom insisted.

DIRECT RESPONSE

Direct billings hit $4 billion, up more than 13% in tough economic climate

By Kenneth Wylie

Ad agencies' direct response billings climbed to $4.1 billion in 1991, according to *Advertising Age's* annual survey.

That's a vigorous 13.4% growth, outstripping percentage gains of both general advertising and sales promotion during the year.

The growth follows a 15.2% advance in 1990. It was paced by the traditionally strong direct mail business, although most agencies say they'll place more emphasis this year on building database services *(see story on Page 31)*.

Growth in direct response far outdistanced the overall 2.9% advance for all U.S. ad agencies and 6.3% improvement by sales promotion shops in 1991—the results of earlier *Advertising Age* surveys.

There's less optimism about the current year, with nearly one-third of respondents expecting client spending to increase from 1% to 5%, although another third expect spending to grow 6% to 10%.

Leading the survey of 103 top agencies with direct response billings was Ogilvy & Mather Direct, New York, with U.S. volume of $344.1 million, up only 1.7% but well ahead of Omnicom Group's Rapp Collins Marcoa at $260.3 million, up nearly 25%.

Agencies surveyed were ranked only by direct response billings. Figures for No. 3 Wunderman Cato Johnson, for example, don't include sales promotion returns from that portion of the shop, a newly merged Young & Rubicam subsidiary.

No agency of substantial size on the chart could match the 75.6% growth at No. 4 Bronner Slosberg Humphrey, Boston, with billings of $223.4 million tied to growth from existing clients and new business from Walt Disney Co.'s Disney Vacation Club.

Only 17% of the agencies actually reported a decline in billings, a healthy sign compared with nearly 30% of the top 100 ad agencies and 25% of the top 100 sales promotion shops.

Although the slowed economy was a steady background hum, the direct response industry seemed fairly recession-resistant because of the targeted nature of its business. But it's not recession-proof, says John A. DePasquale, chairman of Direct Marketing Group, ranked No. 8 at $131.9 million, down 9.7%.

"Because of the targeted nature of direct response, it was hit last. But [that business] still was cut," he says.

Any shift in client spending poses a major threat to an agency's growth in direct response, since more than half the agencies reporting in the survey depend on three or fewer clients for at least 50% of their billings. A quarter of them had experienced losses from clients taking their business in-house, a trend that seems to be subsiding, according to the survey.

Direct mail continues to be the main staple in the business, accounting for $1.61 billion in 1991, about 40% of total billings reported in the survey, and up nearly 16% from the prior year. Spending in TV, the second-biggest medium, rose 13.4% to $315.1 million, or 7.7% of total direct response.

While agencies say mail continues to offer the most potential for growth, survey respondents give high marks to database marketing, which was their hands-down pick as the service to emphasize this year, followed by telemarketing.

Direct response broadcast spending was abetted by time availability, says Howard Draft, ceo of No. 6 Kobs

(Continued on Page 30)

Direct response agencies by U.S. volume

Rank 1991	Rank 1990	Agency, headquarters	Direct response volume 1991	Direct response volume 1990	% chg	Media billed as % of 1991 direct response: TV	Radio	Print	Direct mail	Other	Top executive	Telephone
1	1	**Ogilvy & Mather Direct**, New York	$344,100	$338,200	1.7%	22.0%	-	7.0%	71.0%	-	Jerome W. Pickholz, chmn-ceo	(212) 237-6000
2	3	**Rapp Collins Marcoa**, New York	260,250	208,850	24.6	4.7	0.5%	6.5	43.9	44.3%	G. Steven Dapper, ceo	(212) 951-7200
3	2	**Wunderman Worldwide**, New York	241,401	254,374	-5.1	12.0	-	4.3	76.5	7.2	Lester Wunderman, chmn	(212) 941-3000
4	7	**Bronner Slosberg Humphrey**, Boston	223,399	127,226	75.6	NA	NA	NA	NA	NA	Robert E. Stoloff, cfo	(617) 737-2020
5	4	**FCB Direct/U.S.**, Chicago	201,000	190,000	5.8	-	-	50.0	50.0	-	Bruce Mason, chmn-ceo	(312) 751-7000
6	6	**Kobs & Draft Advertising**, Chicago	155,900	134,300	16.1	44.9	5.3	23.3	23.3	3.2	Howard Draft, ceo	(312) 944-3500
7	10	**DIMAC Direct**, St. Louis	138,830	107,768	28.8	-	-	-	100.0	-	Michael T. McSweeney, president-ceo	(314) 344-8000
8	5	**Direct Marketing Group**, New York	131,920	146,160	-9.7	-	-	8.0	74.0	18.0	John A. DePasquale, chmn	(212) 355-2530
9	11	**Barry Blau & Partners**, Fairfield, Conn.	127,048	100,916	25.9	-	-	-	100.0	-	Barry Blau, chmn	(203) 254-3700
10	8	**Lintas:Marketing Communications**, Warren, Mich.	126,677	123,002	3.0	NA	NA	NA	NA	NA	Frank Hoag, chmn	(313) 575-9400
11	9	**Grey Direct International**, New York	125,000	120,000	4.2	12.8	-	25.6	52.0	9.6	George Wiedemann, president	(212) 303-2300
12	12	**Chapman Direct Advertising**, New York	113,242	100,097	13.1	15.0	1.0	14.0	60.0	10.0	William Sutherland, president	(212) 614-3880
13	13	**Cohn & Wells**, San Francisco	108,667	95,027	13.2	-	-	4.1	-	95.9	Bradley H. Wells, chmn-mg partner	(415) 788-0525
14	14	**Devon Direct Marketing & Advertising**, Berwyn, Pa.	99,100	94,200	5.2	-	-	1.9	97.7	0.4	R.D. Greene, J.T. Perry, mg directors	(215) 644-0333
15	15	**Customer Development Corp.**, Peoria, Ill.	85,530	68,527	24.8	-	-	-	100.0	-	Thomas C. Lund, ceo	(309) 689-1000
16	16	**Inter/Media Advertising**, Encino, Calif.	77,589	65,677	18.1	NA	NA	NA	NA	NA	Sydney Yallen, president-ceo	(818) 995-1455
17	23	**Ross Roy Inc.**, Bloomfield Hills, Mich.	70,895	44,349	59.9	-	-	-	97.0	3.0	Leonard V. Short, gm	(313) 433-6000
18	17	**Saatchi & Saatchi/CMS Direct**, Rochester, N.Y.	62,608	65,192	-4.0	-	-	-	75.0	25.0	Richard Peters, president-ceo	(716) 272-2500
19	22	**McCann Direct**, New York	60,000	45,000	33.3	15.0	-	10.0	75.0	-	William R. Morrissey, exec vp	(212) 286-0460
20	19	**Saugatuck Direct**, Westport, Conn.	53,965	52,918	2.0	-	-	0.3	99.0	0.7	Donald J. White, president	(203) 226-8166
21	20	**Clarion Marketing & Communications**, Greenwich, Conn.	53,779	52,886	1.7	11.2	1.9	5.6	55.8	25.6	Raymond Rizzo, president	(203) 531-3600
22	21	**Lowe Direct**, New York	53,300	52,500	1.5	10.0	5.0	15.0	55.0	15.0	J. Robert Lieber, ceo	(212) 708-8850
23	18	**G&R Marketing Services**, Chicago	51,660	55,236	-6.5	0.5	0.5	4.6	94.3	-	Richard Grunsten, president	(312) 944-3000
24	24	**U.S. Communications**, Minneapolis	50,317	42,375	18.7	-	-	10.0	90.0	-	Terence M. Graunke, chmn-ceo	(612) 373-3000
25	31	**Saatchi & Saatchi Direct North America**, New York	46,296	30,729	50.7	-	-	3.0	97.0	-	Deborah Newkerk, president-ceo	(212) 463-2000
26	32	**Brierley & Partners**, Dallas	45,764	30,650	49.3	-	-	100.0	-	-	Harold M. Brierley, president	(214) 760-8700
27	26	**Stenrich Group**, Glen Allen, Va.	42,012	36,335	15.6	-	-	-	85.9	14.1	Steven R. Isaac, chmn	(804) 747-1202
28	25	**McCaffrey & McCall**, New York	40,700	40,400	0.7	96.0	0.2	3.0	-	0.8	Robert H. Cherins, chmn-ceo	(212) 350-1000
29	27	**Bozell Direct**, New York	40,000	35,100	14.0	20.0	7.5	50.5	22.0	-	Mike Sowyak, vp-mg director	(212) 727-5000
30	29	**Williams Television Time**, Santa Monica, Calif.	35,822	31,427	14.0	100.0	-	-	-	-	Kathleen Williams, president-ceo	(310) 828-8600
31	28	**Gillespie Organization**, Lawrenceville, N.J.	35,000	35,000	0.0	10.0	5.0	43.0	25.0	17.0	Joseph F. Barone, president	(609) 799-6000
32	42	**Herring Newman**, Seattle	33,999	21,321	59.5	-	0.2	2.2	97.6	-	Phil Herring, president	(206) 343-9000
33	33	**Berenson, Isham & Partners**, Boston	30,255	30,324	-0.2	3.0	4.0	25.0	65.0	3.0	Paul Berenson, president	(617) 423-1120
34	38	**Lawrence Butner Advertising**, New York	29,097	25,246	15.3	75.0	14.0	4.9	3.3	2.6	Lawrence Butner, president	(212) 682-3200
35	30	**Hill, Holliday, Connors, Cosmopulos**, Boston	28,830	31,242	-7.7	25.0	-	25.0	50.0	-	J. Terrence Carleton, sr vp	(617) 437-1600

Notes: Dollars are in thousands. See Page 30 for methodology. Rankings for both years computed from figures reported in 1992. Chart continued on Page 30. John Smither

Direct response agencies (continued)

Rank '91	Rank '90	Agency, headquarters	Direct response volume 1991	1990	% chg	Media billed as % of 1991 direct response TV	Radio	Print	Direct mail	Other	Top executive	Telephone
36	39	**North American Integrated Marketing**, Pasadena, Calif.	$28,385	$23,252	22.1	—	—	—	100.0%	—	Clyde Beswick, chmn	(818) 795-2805
37	41	**Holland Mark Martin**, Burlington, Mass.	28,225	22,183	27.2	—	—	—	80.5	19.5%	Bill Davis, president	(617) 270-3500
38	34	**Steinert & Associates**, New York	27,530	28,047	-1.8	—	—	13.0%	73.1	13.9	Jan Allan Steinert, president-ceo	(212) 889-5000
39	37	**W.B. Doner & Co.**, Southfield, Mich.	27,162	25,429	6.8	11.0%	1.0%	17.0	11.0	60.0	Tony Everett, sr vp-director, direct response	(313) 354-9700
40	36	**Earle Palmer Brown Cos.**, Bethesda, Md.	26,300	25,500	3.1	13.0	20.0	31.0	31.0	5.0	Jeremy Brown, ceo	(301) 657-6000
41	46	**Gross Townsend Frank Hoffman**, New York	26,000	18,000	44.4	NA	NA	NA	NA	NA	Alan Gross, president	(212) 886-3000
42	53	**Shain Colavito Pensabene Direct**, New York	25,446	15,141	68.1	91.0	—	—	—	9.0	Joseph Shain, president	(212) 557-6050
43	40	**McClure Group**, Valley Forge, Pa.	24,405	22,438	8.8	18.0	—	22.0	60.0	—	Thomas R. McClure, president	(215) 933-0933
44	35	**Kallir, Philips, Ross**, New York	23,618	27,214	-13.2	—	—	—	100.0	—	Norman Cooper, president-ceo	(212) 856-8400
45	53	**Kleminer Advertising**, New York	21,700	12,100	79.3	NA	NA	NA	NA	NA	Gavin A. Scotti, president-ceo	(212) 463-4000
46	43	**Fox Pavlika & Partners**, New York	21,197	21,105	0.4	0.8	—	40.3	45.5	13.3	Neil Fox, president-ceo	(212) 683-0002
47	44	**Huntsinger & Jeffer**, Richmond, Va.	21,085	20,200	4.4	1.0	—	22.0	35.0	42.0	Jerald E. Huntsinger, ceo	(804) 266-2499
48	47	**Jordan, McGrath, Case & Taylor/Direct**, New York	19,905	16,709	19.1	—	—	35.0	50.0	15.0	Karen Hochman, president	(212) 326-9600
49	45	**Wakeman & deForrest**, Irvine, Calif.	19,876	18,178	9.3	20.1	—	10.6	32.5	36.7	William W. Junkin, president-ceo	(714) 261-2424
50	58	**Orsatti & Parrish**, Boston	15,500	9,500	63.2	16.1	6.5	32.3	41.9	3.2	Louis F. Orsatti, president	(617) 737-6700
51	48	**Tracy-Locke Direct**, Dallas	15,100	16,650	-9.3	3.3	6.6	19.9	63.6	6.6	Dave Kubes, president	(214) 969-9000
52	52	**Lortz Direct Marketing**, Omaha, Neb.	15,001	12,322	21.7	11.8	1.0	71.6	15.6	—	Gary Lortz, president	(402) 331-5740
53	54	**Ovation Marketing**, LaCrosse, Wis.	13,376	11,556	15.7	NA	NA	NA	NA	NA	Ralph S. Heath III, president	(608) 785-2460
54	62	**Ronald James Direct**, Los Angeles	13,340	8,000	66.8	—	—	2.6	86.2	11.2	Clare Thain, mg partner	(310) 445-0810
55	56	**Creative Direct Marketing Group**, Torrance, Calif.	12,206	10,085	21.0	15.0	—	15.0	70.0	—	Craig A. Huey, president	(310) 212-5727
56	61	**Fletcher Hunt Wirth Associates**, Kansas City, Mo.	12,189	8,332	46.3	—	—	16.7	40.3	43.0	Andy Fletcher, president-ceo	(816) 471-1880
57	55	**Kuhn & Wittenborn Advertising**, Kansas City, Mo.	12,042	10,466	15.1	12.2	5.0	80.3	2.5	—	R. Kuhn, D. Wittenborn, co-chmn	(816) 471-7888
58	49	**More Direct**, Minneapolis	11,596	15,501	-25.2	—	—	0.2	97.8	2.0	Mark Morris, ceo	(612) 595-9070
59	68	**Ketchum Communications**, Pittsburgh	10,885	6,770	60.8	NA	NA	NA	NA	NA	Paul H. Alvarez, president-ceo	(412) 456-3500
60	64	**Kobs Gregory & Passavant**, Chicago	10,679	7,015	52.2	2.0	—	18.0	52.0	28.0	James F. Kobs, ceo	(312) 819-2300
61	51	**Karl Rove & Co.**, Austin, Texas	10,016	13,276	-24.6	—	—	—	100.0	—	Karl Rove, president	(512) 479-6601
62	57	**Ammirati & Puris**, New York	10,000	10,000	0.0	NA	NA	NA	NA	NA	Martin F. Puris, ceo	(212) 206-0500
63	59	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa	9,748	8,580	13.6	—	—	—	40.0	60.0	F.C. Baker, president-ceo	(319) 395-6500
64	60	**Dudnyk Advertising**, Horsham, Pa.	8,851	8,511	4.0	—	10.0	70.0	20.0	—	Edward Dudnyk, president	(215) 443-9406
65	63	**Modular Direct/Promo Group**, New York	8,300	7,350	12.9	—	—	32.9	62.3	4.8	Harry Kraus, mg director-coo	(212) 505-0200
66	69	**Stromberg-Connors Communications**, Rye Brook, N.Y.	7,350	5,500	33.6	—	—	21.0	49.0	30.0	Paul Siman, mg director	(914) 939-4080
67	65	**Jordan-Savage Direct**, Natick, Mass.	7,349	6,924	6.1	5.0	—	10.0	75.0	10.0	Peter T. Savage, president	(508) 650-1002
68	66	**Targetcom**, Chicago	7,265	6,893	5.4	6.0	—	5.0	74.0	15.0	Jay Miller, president	(312) 822-1100
69	67	**Smith Lask Associates**, Chicago	6,898	6,795	1.5	—	—	23.9	76.1	—	Barbara Lask, president	(312) 222-1900
70	71	**Directech**, Lexington, Mass.	6,700	5,200	28.8	—	—	—	100.0	—	Barry Silverstein, president	(617) 861-9797
71	NA	**DFA Advertising**, New York	6,413	NA	NA	—	—	—	93.0	7.0	Edwin Forti, president	(212) 247-0215
72	73	**Cramer-Krasselt**, Milwaukee	6,100	5,010	21.8	5.0	20.0	75.0	—	—	Paul S. Counsell, ceo	(414) 227-3500
73	85	**Haynes & Pittenger Direct**, Indianapolis	5,681	2,432	133.6	—	—	1.3	98.7	—	Thomas J. Haynes, president	(317) 328-4650
74	70	**Sader & Associates**, New York	5,557	5,268	5.5	—	0.4	22.3	3.7	73.6	Archie A. Sader, president	(212) 725-0770
75	74	**Tacito Associates**, Dallas	5,200	4,800	8.3	—	—	—	100.0	—	A.J. Tacito, president-ceo	(214) 458-2026
76	80	**National Response Corporation**, Dallas	4,975	3,114	59.7	—	—	100.0	—	—	John J. Eger, vp-coo	(214) 443-9797
77	72	**Bright Ideas**, Tarzana, Calif.	4,838	5,103	-5.2	13.0	10.0	34.0	43.0	—	David Ohringer, president	(818) 342-1551
78	81	**Keroff & Rosenberg Direct**, Chicago	4,367	3,000	45.6	45.8	4.6	9.2	13.7	26.7	William B. Keroff, president	(312) 321-9000
79	77	**Stone, August, Baker Communications**, Troy, Mich.	4,250	3,361	26.4	NA	NA	NA	NA	NA	James M. August, president	(313) 641-0400
80	75	**Wolf Mansfield Bolling**, Buffalo, N.Y.	4,125	3,555	16.0	23.5	21.3	20.6	34.5	—	Lawrence Wolf, ceo	(716) 853-1200
81	76	**Biggs/Gilmore Communications**, Kalamazoo, Mich.	3,917	3,555	10.2	—	—	15.0	84.0	1.0	Rita Aldridge, vp-direct mktg	(616) 349-7711
82	82	**Marquardt & Roche**, Stamford, Conn.	3,555	2,870	23.9	16.0	21.0	19.0	29.0	15.0	James Marquardt, president	(203) 327-0890
83	79	**Hogan & Associates**, Shawnee Mission, Kan.	3,506	3,209	9.2	—	—	29.0	71.0	—	Earl Hogan Jr., president	(913) 677-4580
84	86	**MWA Direct**, Minneapolis	3,415	2,112	61.7	—	—	—	100.0	—	Michael R. Wikiman, president	(612) 522-3673
85	78	**Sales Development Associates**, St. Louis	3,360	3,357	0.1	—	—	7.0	76.0	17.0	Patricia M. Biggerstaff, president	(314) 862-8828
86	91	**R.F. Broadus & Associates**, Atlanta	2,621	1,003	161.3	—	—	33.0	37.0	30.0	W.L. Weltin, president	(404) 237-1503
87	83	**Sheldon Fredericks Advertising**, Stamford, Conn.	2,382	2,645	-9.9	12.2	1.0	26.7	45.0	15.0	Dean Adams, vice president	(203) 324-0051
88	84	**James & Thomas**, Chicago	2,102	2,588	-18.8	—	22.0	75.0	3.0	—	William J. Bloch, president	(708) 799-6224
89	87	**Warner, Bicking, Morris & Partners**, New York	1,970	1,742	13.1	—	20.4	63.7	15.9	—	Andrew Morris, president	(212) 759-7900
90	88	**HKH&W**, Kansas City, Mo.	1,814	1,700	6.7	—	11.0	28.9	19.3	40.7	F. Peter Kovac, president	(816) 842-8881
91	90	**Westport Direct**, Fairfield, Conn.	1,297	1,300	-0.2	—	—	—	100.0	—	Mark Goroff, president	(203) 254-6309
92	89	**Harris Brandt Advertising**, Woodmere, N.Y.	1,242	1,428	-13.0	5.0	—	—	85.0	10.0	Harris Brandt, president	(516) 569-7266
93	92	**J.P. Hogan & Co.**, Knoxville, Tenn.	1,238	1,000	23.8	NA	NA	NA	NA	NA	Joseph P. Hogan, ceo	(615) 546-7661
94	95	**Concepts & Strategies**, Westport, Conn.	1,191	315	278.6	—	—	—	—	100.0	Edmund F. Lindner, president	(203) 227-4903
95	93	**Partners & Shevack**, New York	925	883	4.8	—	—	62.2	37.8	—	Brett Shevack, president	(212) 245-7300
96	94	**DK Group**, Hillsdale, N.J.	729	612	19.0	—	—	—	100.0	—	Richard Knel, president	(201) 358-6100
97	NA	**Arnold Fortuna Lane-RCM & Partners**, Boston	728	NA	NA	—	34.3	20.6	17.6	27.5	Karen Zahorsky, exec vp-gm	(617) 267-1900
98	NA	**Haller Schwarz**, Los Angeles	390	NA	NA	—	—	10.3	89.7	—	Henry Schwarz, ceo	(213) 977-1111
99	98	**Morris Direct Marketing**, Bronxville, N.Y.	163	97	68.0	—	—	—	50.0	50.0	Kenneth P. Morris, president	(914) 776-1777
100	96	**Opus Group**, Ridgewood, N.J.	162	196	-17.6	—	—	87.4	12.6	—	Joe Grasso, president	(201) 447-4824
101	97	**Creel Associates**, Oak Brook, Ill.	143	135	5.8	—	—	—	100.0	—	David R. Creel, president	(708) 990-0402
102	99	**Kollias & Associates**, Chicago	134	81	65.6	100.0	—	—	—	—	George C. Kollias, president	(312) 282-5582
103	NA	**Scopes-Garcia-Carlisle**, Salt Lake City	44	NA	NA	—	—	—	100.0	—	Gregory Carlisle, president	(801) 364-8720

Notes: Dollars are in thousands. See below for methodology. Rankings for both years computed from figures reported in 1992.

AA Chart: Kathy Welyki

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Direct

(Continued from Page 29)

& Draft, Chicago, which attributes 45% of its billings to TV. But TV time has tightened in 1992, he claims, because of the Winter Olympics, Summer Olympics and elections.

Concerning politics, political agency No. 61 Karl Rove & Co. is experiencing marked growth for the current year after its business slipped 24.6% to $10 million in 1991, a non-election year.

Direct marketing has its one-product offerings, which in 1991 made Concepts & Strategies the top growth agency. Its billings quadrupled to $1.2 million, marking the success of the Rx Check conceived by President Edmund Lindner.

This trademarked patient-discount card reminds the patient to continue a prescribed medication. When mailed after refilling, it brings another discount to the patient, and a reimbursement to the druggist. And, it adds to the marketer's database. □

Methodology

The rankings in this report are based on an agency's capitalized billings, or volume, associated with direct response. This is the first year solely direct response agencies and general agencies with direct response billings have been merged on the same chart.

Capitalized billings are the sum of total media volume, materials and services charged, and fees, the latter of which are capitalized by multiplying fees by 6.67. □

Database draws fevered interest

'Used to take some pushing from agency; this year marketers are pushing us'

By Gary Levin

The database revolution is the most significant recent arrival in the direct marketing industry, but some executives believe its potential has yet to be tapped.

In an *Advertising Age* survey of leading agencies, 61% of those responding said more than half of their clients have begun maintaining a marketing database of customers, up from 48% who said that many clients did so in 1990.

About 60% of agencies participating in the survey said database development has "high" growth potential for their businesses—second only to direct mail; 86% said they expect to broaden its use this year.

"There seems to be a torrent now," says Len Short, senior VP-general manager of Ross Roy Direct, Bloomfield Hills, Mich. "It used to be the early adopters and the curious types [who used them], and it used to take some pushing from the agency. This year . . . they're pushing us."

Many executives believe advertisers are increasingly seeking ways to identify and change actual consumer behavior, not just predict who's most likely to buy a certain product.

"They're really looking to solidify the relationship [with customers], and they're also understanding they can use it as a way to add value" to an advertising program, says Pam Maphis Larrick, managing director of Ogilvy & Mather Direct's New York office.

"It really becomes a marketing tool you can use across all disciplines," says Steve Dapper, president of Rapp Collins Marcoa, where 90% of clients have some form of database.

Among survey respondents, 81% say databases are being used by clients for loyalty or continuity programs; 59% say they're used to cross-sell products or services; 41% say they're employed for coupon mailings or other promotions; and 22% say they're rented to outside companies.

A few executives believe database marketing isn't living up to its potential.

"I'm convinced there are very few if any true database marketers," says Bill Davis, president of Holland Mark Martin, Burlington, Mass.

"Most end users have been sucked in intellectually by the concept," but their use too often is "reactive" or tactical instead of strategic. "What most marketing organizations have found is they lack control over critical success factors" in a database program, such as distribution channels, he says.

Despite a general downturn in the ad industry, direct marketing continues to win new converts.

"My perception is that traditional direct marketers are not increasing [spending]; they're cutting back," says Michael Bronner, president of Bronner Slosberg Humphrey, Boston. But "companies that have had a mix of direct marketing and general spending are starting to allocate more funds to direct."

Joining the so-called traditional direct marketers is a flurry of package-goods, pharmaceutical, telecommunications and business-service marketers.

In the last few weeks alone, E&J Gallo Winery and Stroh Brewery Co. both named their first direct response shops.

Nearly 33% of survey respondents said package goods is the fastest-growing category, admittedly from a small base, while 22% cited financial services. □

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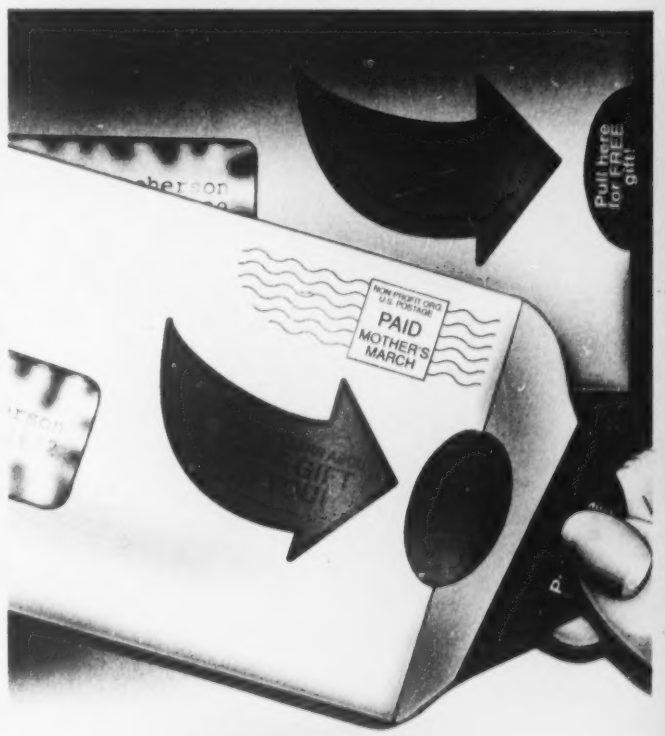

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Study: Magazines hold own

Myers says most ad execs won't cut spending in medium

By Scott Donaton

A majority of ad agency media executives and advertisers expect their magazine ad spending to rise or stay the same this year, according to Myers Marketing & Research's second annual magazine survey.

The findings, released last week, were decidedly more upbeat than last year's. That study drew the ire of publishers with its suggestion that magazines were losing ground to other media.

The 1992 study finds that 82% of advertisers and the same percentage of agency media buyers expect their magazine spending to remain the same or increase this year compared with 1991 levels.

Of those who expected magazine spending to decline, 40% of advertisers and 56% of agency respondents said the drop would be due to overall budget reductions, not a shift of dollars to other media or promotions.

Asked which issues have the greatest influence on their magazine planning and buying decisions, 72% of respondents cited editorial content; 49%, editorial adjacencies relevant to their ad message; 47%, the availability of value-added services; and 44%, the willingness of a magazine to negotiate "off the rate card."

The study, conducted last October, was based on questionnaire responses from 989 agency and client executives.

Myers also last week released the results of a survey on marketing effectiveness and media accountability conducted in February. Based on 603 agency and marketer responses to an eight-page survey, the study finds that 28% of respondents strongly agreed that "the willingness of magazines to negotiate off the rate card has a direct impact on my decision to include specific magazines in my media plan," up from 27% in 1991 and 22% in 1990. Only 7% didn't agree at all with that statement.

Michelle Berman, senior VP at Myers, said she believes agency media buyers focus too much on price and related issues, and not enough on editorial and audience quality when making buying decisions.

"What's happening is media departments are really treating magazines like a commodity," she said. "There is so much emphasis on negotiation."

In the magazine study, Time Inc. was mentioned by 72% of those surveyed as the leading magazine company for value-added support and by 71% for having the best corporate discount packages. □

Anticipated magazine ad spending

How clients and agencies responded to the question: "I anticipate our magazine advertising spending will . . ."

	Clients	Agencies
Decrease in the next 12 months	18%	17%
Remain the same in the next 12 months	41%	47%
Increase in the next 12 months	41%	35%

Source: Myers Reports, 1991 Survey of Advertising Executives on Magazine Publishing

'SI' looks cautiously into global expansion

By Scott Donaton

Sports Illustrated will start seriously testing the international waters next month but expects to find them a little icy.

Starting with its July 22 Olympic preview, the Time Inc. weekly will launch a 10-week newsstand test of its U.S. edition in 26 overseas markets, primarily in Europe.

SI will also begin in July a six-month test of a monthly, stand-alone Australian edition, replacing a twice-monthly supplement to *Time's* Australian edition.

But Mark Mulvoy, publisher and managing editor, said he's less than optimistic the tests will lead to the launch of overseas editions of the sports weekly.

"International presents a lot of problems to us—language problems, size of the country and specificity of the sports," he said.

An English-language, pan-European edition of *SI* wouldn't fly, Mr. Mulvoy said, adding that the only way to enter the market might be through local-language editions in specific markets.

"Europe to me poses humongous problems," he said. "We don't know if Europeans want to read about baseball. We'd bet they don't. And I don't think the Italians really care about what France is doing in sports.

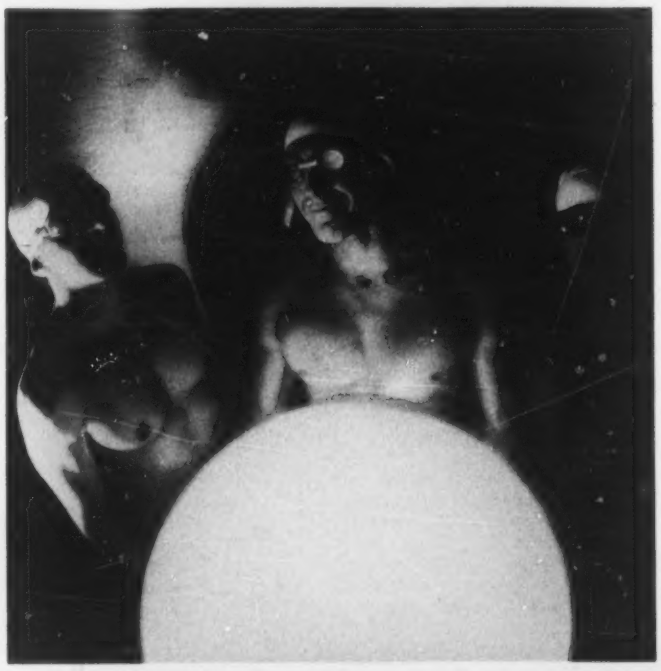
"What we're doing in Europe is taking 10 issues and putting them on newsstands there to see how people react to it. It's strictly a test."

Copies sold in Europe this summer will carry most of the U.S. edition's editorial material. They will feature ads from the U.S. edition, but also will be sold to advertisers on a stand-alone basis.

In Australia, response to the supplements "has been very good," Mr. Mulvoy said. The supplements were published monthly in 1991 and increased frequency to twice monthly in January.

Ads in the monthly Australian edition will be sold to local companies by *Time's* Australian sales staff.

Time Inc. has been getting more aggressive on the international front, particularly in Australia and Japan. It launched *Who*, an Australian edition of *People*, in March, and is exploring launching a Japanese-language edition of *Time*. □



"Most of the people who use alcohol, heroin, cocaine, or any other recreational drug never develop the life-warping, bottomless craving known as addiction."

HOOKED

JUICY, BOLD, CU

"The problem is that you might have the best-looking donor around, he's got a great sperm count, they're really kicking, he freezes well – but it turns out he's shooting blanks. The sperm does not get women pregnant."

SPERM, INC.